

# **FISCAL MEMORANDUM**

## **HB 2500 – SB 2758**

March 11, 2008

**SUMMARY OF AMENDMENT (015174):** Deletes the language of the bill. Authorizes retired state employees with at least 30 years of service to take one free course per term at state institutions of higher education. The availability of waivers shall be limited each year by the amount of funds specifically appropriated for such fee waivers in the general appropriations act.

### **FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures - \$38,000 FY08-09  
\$40,700 FY09-10

Foregone State Revenue - \$114,100 FY08-09  
\$122,100 FY09-10

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

#### **Unchanged from the original fiscal note.**

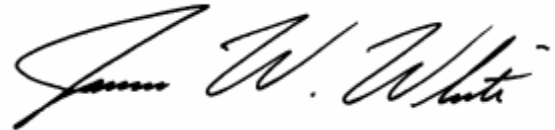
Assumptions applied to amendment:

- The number of retired state employees used for calculation purposes is 7,220.
- Thirty percent of these retired state employees have 30 or more years of service.
- The number of retired state employees eligible to participate in the program is estimated to be 2,166 (7,220 retired state employees x 30%).
- The cost of the state employee fee waiver program in FY06-07 was approximately \$2,055,000 for 4,000 fee waiver courses, although only approximately \$500,000 was funded through state appropriations.
- The number of retired state employees who are expected to participate in this program is estimated to be 43 (2,166 retirees x 2.00%).
- Based on FY06-07 the cost for 43 retirees taking an estimated six hours each year (258 hours x \$515) for a total cost of \$132,900, of which \$33,200 is state appropriations (25%) and \$99,700 is foregone state revenue (75%).

- Tuition is estimated to increase an average of seven percent per year.
- The cost of the program in FY08-09 is estimated to be \$38,000 in state appropriations and \$114,100 in foregone state revenue.
- The cost of the program in FY09-10 is estimated to be \$40,700 in state appropriations and \$122,100 in foregone state revenue.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rct